



North Dakota Legislative Council

Prepared by the Legislative Council staff
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OIL AND GAS TAX REVENUES QUARTERLY UPDATE SUMMARY

This memorandum provides a summary of oil production and prices, oil and gas tax revenue collections, and oil and gas tax revenue allocations, including comparisons to forecasted amounts, projections for the biennium, and comparisons to the prior biennium. **The forecasted amounts reflect the 2023 legislative revenue forecast ("original forecast"), prepared at the close of the 2023 legislative session.**

QUARTERLY SUMMARY

Oil Production and Prices

The schedules below provide information on actual and forecasted oil production and prices for June 2024 through August 2024. Oil and gas tax revenue collections and allocations reflect production and prices from 2 months prior. The amounts shown for the actual oil prices reflect the average of Flint Hills Resources posted prices and West Texas Intermediate posted prices.

Average Daily Oil Production - Barrels Per Day			
	June 2024	July 2024	August 2024
Actual	1,238,022	1,169,499	1,179,131
Forecast	1,100,000	1,100,000	1,100,000
Variance to forecast	138,022	69,499	79,131
Percentage variance to forecast	12.5%	6.3%	7.2%

Average Oil Price - Price Per Barrel			
	June 2024	July 2024	August 2024
Actual	\$75.76	\$77.46	\$71.89
Forecast	62.00	62.00	62.00
Variance to forecast	\$13.76	\$15.46	\$9.89
Percentage variance to forecast	22.2%	24.9%	16.0%

Oil and Gas Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for August 2024 through October 2024.

	August 2024	September 2024	October 2024
Actual	\$247,564,193	\$240,992,384	\$240,182,287
Forecast	198,462,000	205,077,400	205,077,400
Variance to forecast	\$49,102,193	\$35,914,984	\$35,104,887
Percentage variance to forecast	24.7%	17.5%	17.1%

Oil and Gas Tax Revenue Allocations

The schedule below provides information on the oil and gas tax revenue allocations to the Three Affiliated Tribes of the Fort Berthold Reservation, state funds, and political subdivisions for August 2024 through October 2024.

	August 2024	September 2024	October 2024
Three Affiliated Tribes	\$20,535,586	\$23,080,662	\$22,851,365
Legacy fund	68,271,298	65,530,669	65,328,911
North Dakota outdoor heritage fund	0	1,759,070	1,757,646
Abandoned well reclamation fund	0	879,535	878,824
Political subdivisions	34,694,471	48,443,927	35,626,313
Common schools trust fund	9,644,945	9,832,926	9,781,283
Foundation aid stabilization fund	9,644,945	9,832,926	9,781,283
Resources trust fund	19,772,137	20,157,498	20,051,630
Oil and gas research fund	0	0	0
State energy research center fund	0	0	0
General fund	0	0	0
Social service fund	0	0	0
Budget stabilization fund	0	0	0
Lignite research fund	0	0	0
State disaster relief fund	0	0	0
Strategic investment and improvements fund	85,000,811	61,475,171	6,568,016
PERS main system plan	0	0	65,000,000
Municipal infrastructure fund	0	0	1,278,508
County and township infrastructure fund	0	0	1,278,508
Airport infrastructure fund	0	0	0
Total	\$247,564,193	\$240,992,384	\$240,182,287

Distributions to Political Subdivisions

The schedule below provides information on the distribution of oil and gas gross production tax collections to political subdivisions for August 2024 through October 2024. The formula for the distributions to political subdivisions became effective with July 2023 oil production and September 2023 distributions. However, this memorandum reports the distributions to political subdivisions for the period August 2023 to July 2025 to align with the reporting for the allocations to state funds.

	August 2024	September 2024	October 2024
Hub cities	\$4,648,809	\$5,885,087	\$4,732,301
Hub city school districts	875,661	1,150,390	894,215
Counties	19,086,222	27,333,940	19,644,704
Cities (excluding hub cities)	6,397,227	9,147,119	6,583,596
School districts (excluding hub city school districts)	2,435,227	3,126,611	2,483,066
Townships	1,251,325	1,800,780	1,288,431
Total	\$34,694,471	\$48,443,927	\$35,626,313

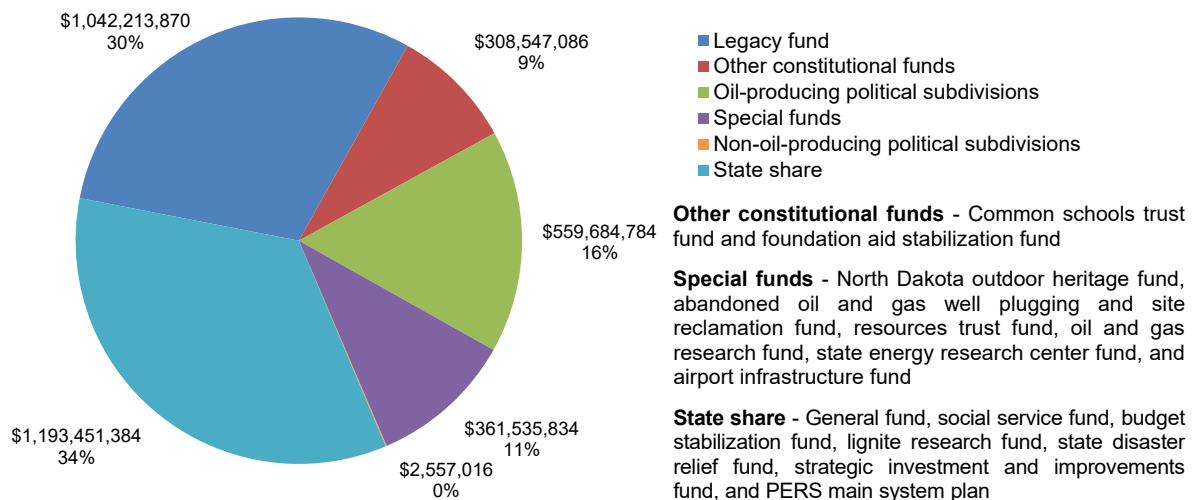
CURRENT BIENNIUM COMPARISON TO FORECAST

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue allocations for the biennium to date through October 2024.

	Biennium to Date		Increase (Decrease)	
	Actual	Forecast	Amount	Percentage
Three Affiliated Tribes	\$324,910,671	\$434,747,920	(\$109,837,249)	(25.3%)
Legacy fund	1,042,213,870	871,336,167	170,877,703	19.6%
North Dakota outdoor heritage fund	11,016,716	10,085,752	930,964	9.2%
Abandoned well reclamation fund	9,258,359	8,792,876	465,483	5.3%
Political subdivisions	559,684,784	451,677,711	108,007,073	23.9%
Common schools trust fund	154,273,543	142,351,344	11,922,199	8.4%
Foundation aid stabilization fund	154,273,543	142,351,344	11,922,199	8.4%
Resources trust fund	316,260,759	291,820,253	24,440,506	8.4%
Oil and gas research fund	17,500,000	17,500,000	0	0.0%
State energy research center fund	7,500,000	7,500,000	0	0.0%
General fund	460,000,904	460,000,000	904	0.0%
Social service fund	250,000,000	250,000,000	0	0.0%
Budget stabilization fund	0	0	0	N/A
Lignite research fund	10,000,000	10,000,000	0	0.0%
State disaster relief fund	8,450,480	12,533,761	(4,083,281)	(32.6%)
Strategic investment and improvements fund	400,000,000	224,104,672	175,895,328	78.5%
PERS main system plan	65,000,000	0	65,000,000	N/A
Municipal infrastructure fund	1,278,508	0	1,278,508	N/A
County and township infrastructure fund	1,278,508	0	1,278,508	N/A
Airport infrastructure fund	0	0	0	N/A
Total	\$3,792,900,645	\$3,334,801,800	\$458,098,845	13.7%

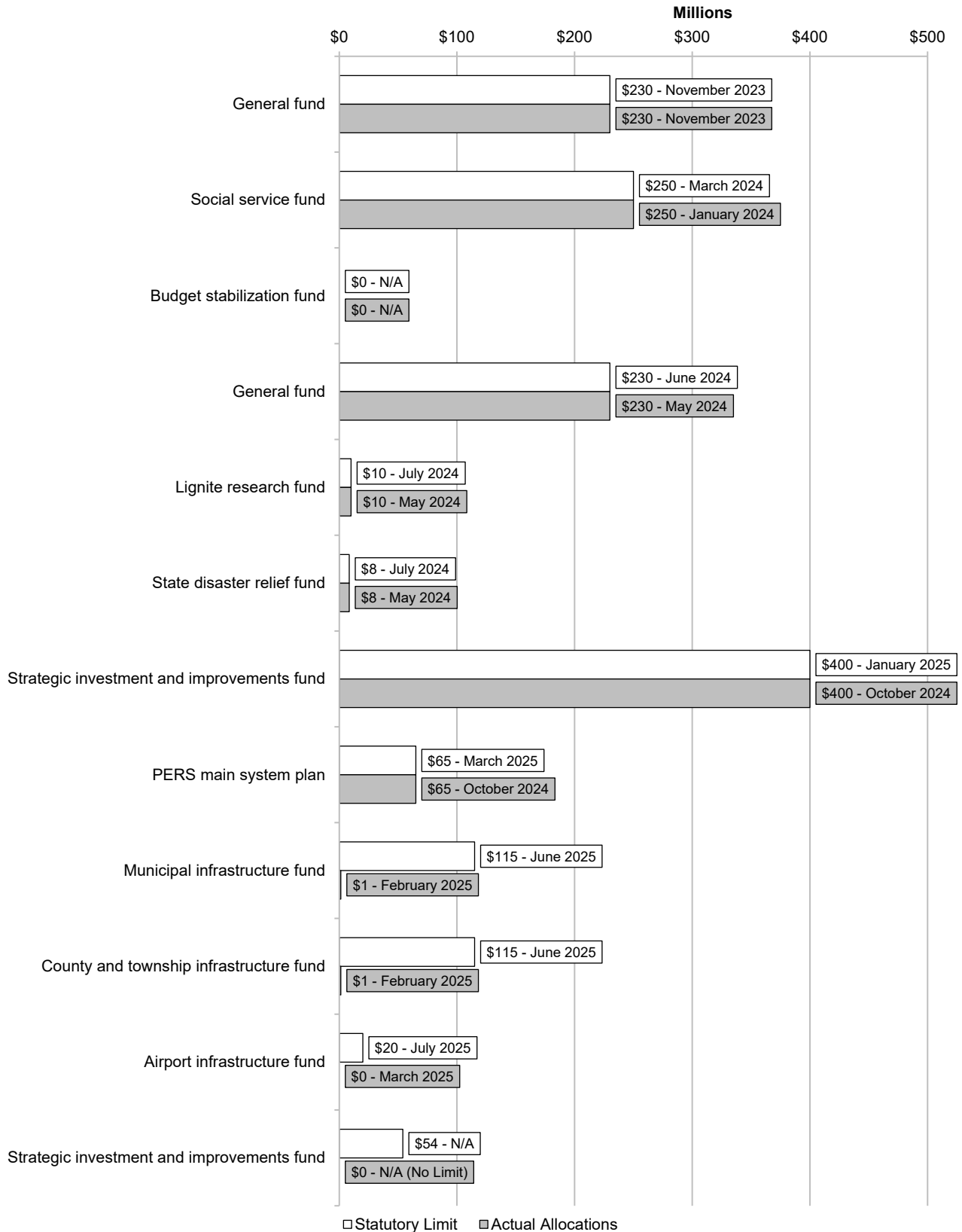
OIL AND GAS TAX REVENUE ALLOCATIONS

The chart below provides information on the oil and gas tax revenue allocations, excluding the allocations to the Three Affiliated Tribes of the Fort Berthold Reservation, for the biennium to date through October 2024.



STATE'S SHARE - FUND STATUS

The chart below provides information on the status of the state's share of allocations ("buckets") for the biennium to date through October 2024. The dates in the white boxes reflect when the funds are estimated to reach the statutory limit based on the 2023 legislative revenue forecast, prepared at the close of the 2023 legislative session. The dates shown in the gray boxes reflect when the funds reached the statutory limit or when the funds are anticipated to reach the statutory limit as adjusted for the actual allocations for the biennium to date.



CURRENT BIENNIUM PROJECTIONS

The schedule below provides information on actual oil tax revenue allocations for the biennium to date through October 2024 and forecasted amounts for the remainder of the biennium. The amount shown for the original forecast reflects the 2023 legislative revenue forecast, prepared at the close of the 2023 legislative session.

2023-25 Biennium Actual Allocations and Remaining Forecast				
	Actual Through October 2024	Remaining Forecast	Biennium Total	Original Forecast
Three Affiliated Tribes	\$324,910,671	\$235,700,364	\$560,611,035	\$670,448,284
Legacy fund	1,042,213,870	471,883,150	1,514,097,020	1,343,219,317
North Dakota outdoor heritage fund	11,016,716	3,983,284	15,000,000	15,000,000
Abandoned well reclamation fund	9,258,359	5,741,641	15,000,000	14,485,700
Political subdivisions	559,684,784	230,716,123	790,400,907	682,393,834
Common schools trust fund	154,273,543	77,092,179	231,365,722	219,443,523
Foundation aid stabilization fund	154,273,543	77,092,179	231,365,722	219,443,523
Resources trust fund	316,260,759	158,038,958	474,299,717	449,859,211
Oil and gas research fund	17,500,000	0	17,500,000	17,500,000
State energy research center fund	7,500,000	0	7,500,000	7,500,000
General fund	460,000,904	0	460,000,904	460,000,000
Social service fund	250,000,000	0	250,000,000	250,000,000
Budget stabilization fund	0	0	0	0
Lignite research fund	10,000,000	0	10,000,000	10,000,000
State disaster relief fund	8,450,480	0	8,450,480	12,533,761
Strategic investment and improvements fund	400,000,000	298,313,338	698,313,338	453,978,847
PERS main system plan	65,000,000	0	65,000,000	65,000,000
Municipal infrastructure fund	1,278,508	113,721,492	115,000,000	115,000,000
County and township infrastructure fund	1,278,508	113,721,492	115,000,000	115,000,000
Airport infrastructure fund	0	20,000,000	20,000,000	20,000,000
Total	\$3,792,900,645	\$1,806,004,200	\$5,598,904,845	\$5,140,806,000

CURRENT BIENNIUM TO PRIOR BIENNIUM COMPARISON

Oil Production and Prices

The schedules below provide information on actual and forecasted oil production and prices for the first 15 months of the 2023-25 biennium and 2021-23 biennium. Oil and gas tax revenue collections and allocations reflect oil production and prices from 2 months prior.

Average Daily Oil Production - Barrels Per Day				
	2023-25 Biennium Through August 2024	2021-23 Biennium Through August 2022	Increase (Decrease)	
			Amount	Percentage
Actual	1,218,150	1,090,237	127,913	11.7%
Forecast	1,100,000	1,080,000	20,000	1.9%
Variance to forecast	118,150	10,237	107,913	1,054.1%
Percentage variance to forecast	10.7%	0.9%		

Average Oil Price - Price Per Barrel				
	2023-25 Biennium Through August 2024	2021-23 Biennium Through August 2022	Increase (Decrease)	
			Amount	Percentage
Actual	\$75.21	\$85.17	(\$9.96)	(11.7%)
Forecast	68.40	50.00	18.40	36.8%
Variance to forecast	\$6.81	\$35.17	(\$28.36)	(80.6%)
Percentage variance to forecast	10.0%	70.3%		

Oil and Gas Tax Revenue Collections

The schedule below provides a comparison of actual to forecasted oil and gas tax revenue collections for the first 15 months of the 2023-25 biennium and 2021-23 biennium.

	2023-25 Biennium Through October 2024	2021-23 Biennium Through October 2022	Increase (Decrease)	
			Amount	Percentage
Actual	\$3,792,900,645	\$3,803,952,148	(\$11,051,503)	(0.3%)
Forecast	3,334,801,800	2,393,475,000	941,326,800	39.3%
Variance to forecast	\$458,098,845	\$1,410,477,148	(\$952,378,303)	(67.5%)
Percentage variance to forecast	13.7%	58.9%		